

**MINUTES
OF THE WORK SESSION OF THE
EDINA CITY COUNCIL
HELD AT CITY HALL
AUGUST 30, 2010
5:00 P.M.**

ROLLCALL Answering rollcall were Members Brindle, Housh, Swenson and Mayor Hovland. Member Bennett arrived at 5:03 p.m. Staff present: Heather Worthington, Interim City Manager; John Wallin, Finance Director; Eric Roggeman, Assistant Finance Director; and Debra Mangen, City Clerk.

Mayor Hovland called the meeting to order and stated the purpose of the meeting was to review the proposed Operating Budget for 2011 and 2011 Tax Levy.

Interim City Manager Worthington reviewed briefly the levy limits in place and noted that the proposed budget scenarios had been keeping in mind the current economic climate and the State imposed levy limits .

Assistant Finance Director Roggeman reviewed the schedule of budget meetings. He then presented two scenarios for the 2011 Operating Budget, noting that Scenario 1 reflected a one percent increase in employee COLA for 2010 and 2011 and Scenario 2 reflected a two percent increase in employee COLA for 2010 and 2011. Mr. Roggeman also presented two alternatives for a preliminary levy. Alternative 1 include levying back for 2010 Unallotted Aids and Credits and would result in an approximate levy increase of 2.4%. Alternative 2 included levying back for both 2010 and 2011 Unallotted Aids and Credits and would result in an approximate 3.9% levy increase. He noted that staff would be supportive of Alternative 1 as a preliminary levy.

Council Members and staff discussed 2010's property tax receipts and their positive impact on the budget situation, which budget scenario should be followed, and which levy alternative to adopt. The Council also discussed the decline in property values and that impact upon taxes. It was noted that none of the City's bargaining units has yet settled and that the Police Union was in arbitration. Consensus was that the maximum levy presented on September 7, 2010, would reflect a 2.34% total levy increase.

Ms. Worthington informed the Council that an employee of Braemar Golf Course had been caught stealing money from the Braemar Golf Course. The City was reporting the theft to the State Auditor, and criminal charges were pending.

Mayor Hovland adjourned the meeting at 5:45 p.m.

Respectfully submitted,

Minutes approved by Edina City Council, September 7, 2010.

Debra A. Mangen, City Clerk

James B. Hovland, Mayor